

## **FISCAL NOTE**

### **SB 3078 - HB 3375**

March 21, 2006

**SUMMARY OF BILL:** Requires that children starting kindergarten be five years of age by July 31st of the year they start kindergarten. Present law requires that children must be five years of age by September 30 of the year they start kindergarten.

### **ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures - Approx. \$29,260,000 One-Time FY07-08**

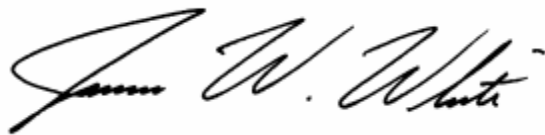
**Decrease Local Govt. Expenditures - Approx. \$14,819,000 One-Time FY07-08**

#### Assumptions:

- A one-time reduction in the number of children enrolling in kindergarten for the 2006-07 school year, which impact is realized through the BEP funding formula in the 2007-08 school year. Children with birthdays in August and September would be bumped to the following year (2007-08). Because the BEP is funded on the previous years' ADMs, this would mean that the funding would be based on the year in which there was a decrease in the number entering kindergarten and reduced in the year when the additional children were actually enrolled.
- Due to a stability provision, LEAs would be funded based on their prior year's allocation plus any mandatory increases in salary and benefits. The stability provision is a *safety net* to allow LEAs one year to adjust to a decline in ADM.
- Approximately 75,000 children entered kindergarten in 2004-05, and if about the same number of children are born each month, then nearly 12,500 students will be affected.
- Assumes an actual cost generated by the BEP funding formula due to reducing the number of children entering kindergarten in the 2006-07 school year. The fiscal impact to state and local governments is estimated to be approximately \$44,079,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director